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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re: Chapter 11
SMART WORLD TECHNOLOGIES, LLC, *et al.*, Case Nos. 00-41645 (CB) through
00-41647 (CB)

Debtors.

**JOINT APPLICATION OF THE DEBTORS AND THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS OF THE DEBTORS
TO RETAIN MARKS PANETH & SHRON, LLP AS ACCOUNTANTS**

TO: THE HONORABLE CORNELIUS BLACKSHEAR
UNITED STATES BANKRUPTCY JUDGE
The Joint application (the **Application**) of (i) Smart World Communications, Inc.,
Smart World Technologies, LLC, and Freewwweb, LLC, debtors and debtors-in-possession (the
Debtors), by their attorney Douglas T. Tabachnik, Esq. and (ii) the Official Committee of
Unsecured Creditors (the **Committee**), by its attorneys, Angel & Frankel, P.C., for the entry of

an order, a copy of which is annexed hereto as Exhibit AA (the Proposed Order), authorizing the retention of Marks Paneth & Shron, LLP (MP&S) as joint accountants for the Debtors and the Committee, respectfully represents:

Background

1. On June 29, 2000 (the Petition Date) the Debtors filed voluntary petitions for relief under Chapter 11 of Title 11, United States Code (the Bankruptcy Code) in the United States Bankruptcy Court for the Southern District of New York (the Court) and orders for relief under section 301 of the Bankruptcy Code were simultaneously entered therewith (the Cases).

2. The Debtors had been authorized to remain in possession of their property and to continue in the operation and management of their businesses as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

3. The Debtors= business consisted of providing free internet services to approximately 700,000 active subscribers located in the United States and Canada. On July 19, 2000 a sale of substantially all of the Debtors= assets was conducted. The successful purchaser was Juno Online Services, Inc, (Juno).¹ The purchase by Juno of the Debtors= assets included the purchase of domain names and the purchase of the Debtors= subscribers. Accordingly, much of the Debtors= business activities have ceased, its employees have been laid off, and its operations have essentially been concluded.

4. The Committee was appointed in these Cases on or about July 10, 2000. The Trustee entered such appointment on July 13, 2000. The Committee has selected Angel & Frankel, P.C. as its counsel.

¹ An order memorializing such sale has not been entered and is the subject of certain litigation currently before this Court.

Relief Requested and Reasons Therefor

5. The Debtors and the Committee wish to jointly employ MP&S, an independent certified public accountant, with offices located at 622 Third Avenue, New York, New York 10017-6701, as accountant for the Debtors and the Committee in these Chapter 11 Cases.

6. The Debtors and the Committee believe that MP&S has had extensive experience in matters of this character and the services which are to be performed by MP&S are more particularly described in the annexed affidavit of Arnold A. Gruber, CPA.

7. The Debtors and the Committee submit this joint application because doing so will be in the best interest of the estates. Such joint cooperation will help facilitate the best return to the estates in an economical and efficient manner avoiding duplication of effort.

8. The professional services that MP&S is to render include:

- a) Providing ordinary course tax compliance in connection with federal, state and local income tax matters, including completing the Debtors=tax returns for the year ended December 31, 1999;
- b) Rendering accounting assistance in connection with reports required by the Court;
- c) Providing expert testimony if required;
- d) Interfacing with accountants and other financial consultants for other creditor groups;
- e) Assisting the Debtors in the preparation or amendment of any financial information required by the Bankruptcy Code and the Federal Rules of Bankruptcy Procedure;
- f) Reviewing and analyzing of the Debtors= bank and other records for potential preference and fraudulent conveyance activities, among other things; and

g) Assisting with such other matters as counsel to the Debtors and the Committee may request from time to time.

9. MP&S has expressed its willingness to assume such retention.

10. To the best of the Debtors' knowledge, MP&S neither represents nor holds any interest adverse to or conflicting with the interests of the within estates or the creditors of the within estates or the Debtors in respect to the matters upon which MP&S is to be employed and MP&S is a ~~disinterested~~ person@ within the meaning of 11 U.S.C. §§ 101(14) and 327(a).

11. The Debtors and the Committee have agreed to compensate MP&S at its usual hourly rates as set forth in the accompanying affidavit and to reimburse MP&S for its expenses, charges and disbursements. The Debtors and the Committee have also agreed that services to be rendered plus reimbursement of expenses incurred in connection therewith shall be subject to proper written application(s) by MP&S filed with the Court pursuant to sections 330 and 331 of the Bankruptcy Code and approved for payment by the Court.

12. No prior application for the relief requested herein has been made to this or any other Court.

[THIS SPACE IS INTENTIONALLY LEFT BLANK]

WHEREFORE, the Debtors and the Committee respectfully request that they be authorized to jointly employ and engage the firm of MP&S, as accountant in these Cases, and that they have such other and further relief as to this Court may seem just and proper

Dated: New York, New York
October 24, 2000

ANGEL & FRANKEL, P.C.
Attorneys for the Official Committee of
Unsecured Creditors of Smart World
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Technologies, LLC, and Freewwweb, LLC

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EXHIBIT AA@
PROPOSED ORDER

EXHIBIT A

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:

Chapter 11

SMART WORLD TECHNOLOGIES, LLC, *et al.*, Case Nos. 00-41645 (CB) through
Debtors. 00-41647 (CB)

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**ORDER AUTHORIZING DEBTORS AND OFFICIAL
COMMITTEE OF UNSECURED CREDITORS TO JOINTLY
EMPLOY MARKS PANETH & SHRON, LLP, AS THEIR
ACCOUNTANTS AND GRANTING RELATED RELIEF**

Upon the joint application of Smart World Communications, Inc., Smart World Technologies, LLC, and Freewwweb, LLC, the above-named debtors and debtors-in-possession (the ~~A~~Debtors~~@~~) and the Official Committee of Unsecured Creditors (the ~~A~~Committee~~@~~), requesting authorization to jointly employ the firm of Marks Paneth & Shron, LLP (~~A~~MP&S~~@~~), to provide professional services to the Debtors and the Committee (the ~~A~~Application~~@~~); and upon the affidavit of Arnold A. Gruber, sworn to on September ___, 2000 (the ~~A~~Affidavit~~@~~); and it appearing that MP&S represents no interest adverse to the Debtors, their estates, or to the Committee; and that MP&S= employment is necessary and would be in the best interest of the estates; and that MP&S is a ~~A~~disinterested person~~@~~ within the meaning of 11 U.S.C. §§ 101(14) and 327(a); and it appearing that good and sufficient notice of the Application has been provided; and sufficient cause appearing to me therefor; and due deliberation having been had; it is

ORDERED, that the Debtors and the Committee be, and they hereby are, authorized to jointly employ MP&S as their accountant to represent both the Debtors and the Committee, jointly, on the terms set forth in the Application and the Affidavit, with the compensation of and expense reimbursement to MP&S to be hereafter fixed by this Court upon the filing of a proper application or applications therefor under 11 U.S.C. §§ 330 and 331.

Dated: New York, New York
 October __, 2000

United States Bankruptcy Judge

THE UNDERSIGNED HAS NO OBJECTION
TO ENTRY OF THE FOREGOING ORDER:

OFFICE OF THE UNITED STATES TRUSTEE

By: _____
 Patricia Schrage, Esq.
 Attorney-Advisor

EXHIBIT AB@
AFFIDAVIT

EXHIBIT B

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re: Chapter 11

SMART WORLD TECHNOLOGIES, LLC, *et al.*, Case Nos. 00-41645 (CB) through
Debtors. 00-41647 (CB)

**AFFIDAVIT AND STATEMENT UNDER BANKRUPTCY RULE 2016
IN SUPPORT OF APPLICATION OF THE DEBTORS AND COMMITTEE
FOR AN ORDER AUTHORIZING THE DEBTORS AND THE COMMITTEE
TO JOINTLY EMPLOY MARKS PANETH & SHRON, LLP, AS ACCOUNTANTS**

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

ARNOLD A. GRUBER, being duly sworn, deposes and says:

1. I am a certified public accountant and managing partner of the accounting firm of Marks Paneth & Shron, LLP (MPS), with an office located at 622 Third Avenue, New York, New York 10017-6701. I am a duly licensed certified public accountant in the State of New York.

2. I have been an certified public accountant for 33 years and have been a partner at MP&S (and/or its predecessors-in-interest) for 16 years

3. To the best of my knowledge, insofar as I have been able to ascertain, MP&S does not hold any interest adverse to the Debtors or their creditors in the matters upon which MP&S is to be engaged and I believe that MP&S is an ~~A~~disinterested person@ within the meaning of 11

U.S.C. 101(14) and 327(a). We have used the services of an outside consultant who is a member of the Debtor. We will not employ the services of this consultant in this matter.

4. The professional services that I will render include, as it will become necessary, the following:

- a) Providing ordinary course tax compliance and planning services in connection with federal, state and local income tax matters, including completing the Debtors' tax returns for the year ended December 31, 1999;
- b) Rendering accounting assistance in connection with reports required by the Court;
- c) Reviewing cash or other projections and submissions to the Court of reports and statements of receipts, disbursements and indebtedness;
- d) Providing expert testimony if required;
- e) Interfacing with accountants and other financial consultants for other creditor groups;
- f) Assisting the Debtors in preparation or amendment of any financial information required by the Bankruptcy Code and the Federal Rules of Bankruptcy Procedure;
- g) Reviewing and analyzing of the Debtors' books and records for potential preference and fraudulent conveyance activities, among other things; and
- h) Assisting with such other matters as counsel to the Debtors and the Committee may request from time to time.

5. Requested compensation for professional services rendered for the Debtors and the Committee shall be based upon the time expended to render such services at billing rates of:

Partners	\$275.00 to \$375.00
Managers	\$200.00 to \$240.00

Supervisors	\$175.00 to \$200.00
Senior Accountants	\$125.00 to \$150.00
Junior Accountants	\$75.00 to \$100.00
Administrators	\$50.00

6. All such services will be computed on an hourly basis and expenses will be charged at actual costs incurred, subject to the rules of this Court.

7. In accordance with the Bankruptcy Code, I am aware that all interim and final payments, are subject to approval by this Court.

8. No agreement exists between myself or any other person for the sharing of compensation to be received by my firm in connection with services rendered in these cases.

9. I believe that MP&S is a ~~A~~disinterested person@ with respect to the Debtors and the Committee as such term is utilized under the Bankruptcy Code, and I know of no reason why my firm cannot be employed as accountants to the Debtors and the Committee in connection with these chapter 11 cases.

WHEREFORE, it is respectfully prayed that the Debtors and the Committee herein be authorized to employ jointly Marks Paneth & Shron, LLP, to act as their accountants in these chapter 11 cases and for such other and further relief as this Court may seem just and proper.

S/
ARNOLD A. GRUBER, CPA

Sworn to before me this
8th day of September, 2000

s/

Notary Public
Barbara E. Goldstein
Notary Public, State of New York
Qualified in Nassau County
Commission Expires December 28, 2001

CERTIFICATE OF SERVICE

Douglas T. Tabachnik, counsel to the Debtors herein, certifies that on the date hereof he served a copy of the foregoing papers to the parties at the addresses indicated and in the manner indicated on the schedule annexed hereinbelow.

Dated: October 25, 2000

s/
Douglas T. Tabachnik (DTT 6337)

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